



**CENTRAL INTELLIGENCE AGENCY**  
**WASHINGTON 25, D. C.**

**OFFICE OF THE DEPUTY DIRECTOR (INTELLIGENCE)**

*MD-2*

11 MAR 1963

Lt. Col. George W. Carrington, Jr., USMC  
Aide to the Chairman  
The Joint Chiefs of Staff  
Washington 25, D. C.

Dear Colonel Carrington:

This is in response to your request of 4 March for data on the share of defense expenditures in US gross national product comparable to the data shown in our report for the USSR. The attached tables (Tables 1 and 2) present the relevant measures for both the US and USSR. As indicated in Table 1, defense expenditures in 1962 were about one-tenth of GNP in both countries.

This measure of relative burden is very broad and may not be very useful in fixing the real impact of defense expenditures on the two economies. Tables 3 and 4 give alternative measures which we believe in important respects are more indicative of the impact of defense. These are (1) purchases by the defense establishment from the non-agricultural part of the economy, and (2) purchases of durable goods by defense.

Sincerely,

*Ray S. Cline*

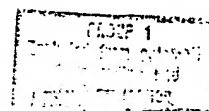
Ray S. Cline  
Deputy Director (Intelligence)

Enclosures: (4)  
As stated above.

**APPROVED FOR RELEASE**

*3/00*

**SECRET**



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